



A Residential Consumer's Guide To Electric Service Restructuring



Plug In Illinois®

The Illinois Electric Service Customer Choice and Rate Relief Law of 1997 restructures the state's electric service industry to offer customers choice and create a competitive marketplace.

Just as you shop for other products and services, effective May 2002, residential customers of Illinois investor-owned electric utilities are eligible to choose an electric supplier.

UNDERSTANDING THE ELECTRIC RESTRUCTURING PROCESS



THERE ARE THREE STEPS TO RECEIVING ELECTRICITY

sending high voltage electricity to distribution points

TRANSMISSION

DISTRIBUTION

delivering electricity to your home

production of electricity

GENERATION

Illinois is establishing a competitive market for electric service through a phased-in process. During 1998, the first year of the law's implementation, many residential customers of Illinois investor-owned electric utilities received a rate reduction. Non-residential customers became eligible for choice in 1999 and 2000.

Residential electric customers are eligible to choose their electric supplier on or after May 1, 2002. Now you can choose your electric supplier — the company that provides the *generation* portion of your electricity. Electricity will be sold by your current electric utility company as well as other electric utilities and alternative retail electric suppliers (ARES). Yet, unless you choose differently, your current electric utility will continue to handle all three steps, and you will continue to pay the same rates.

Delivery of Your Electricity Remains the Same. Your current electric utility remains responsible for delivering electricity and providing reliable delivery service even

if you choose a new supplier. If you change suppliers, you will pay a delivery service charge to your current electric utility for delivering the electricity.

The Same Reliable Service. The generation sources may vary, but how you receive electricity will be no different. Whether you buy electricity from the utility or a new supplier, your electricity will be delivered in the same reliable manner. Utilities and non-utility companies feed power into the network proportionate to the total number of customers and the demand of those customers. Electricity flows from numerous suppliers through this network until it reaches various distribution points, such as your home.

Who to Call When the Electricity Goes Out. When storms or other circumstances cause an outage, you'll call the same company you've always called – your local electric utility – because it remains responsible for maintaining the wires and delivering electricity to you.

YOUR POWER OF CHOICE

Making Choices. Electric service restructuring empowers consumers to choose who generates their electricity — the current electric utility or another supplier. You can choose the company that supplies your electric generation based on your own needs and preferences.



Those considerations may include how or where the electricity is produced, economic or environmental benefits, the lowest price, total cost, or the best combination of prices, services and incentives.

Take the time now to learn about electric choice so you will be ready to make an informed decision when suppliers are available in your area.

You Do Not Have To Make a Change. You may choose to change suppliers or do nothing and remain with your current electric utility. If you do not choose a new supplier, you

will continue to receive power from your current electric utility and pay the same rates. Regardless of which company you choose to generate electricity, your current electric company remains responsible for delivering your electricity and providing reliable delivery service.

Changing Your Electric Supplier. After May 1, 2002 you can choose a supplier at any time. After you sign an agreement with another supplier, that new supplier will notify your current electric utility. Your utility will send you a confirmation of the switch. Even if you choose another supplier, your current utility is still responsible for delivering your electricity and providing reliable service. Your current electric utility company may not discriminate based on who supplies your generation. The Illinois Commerce Commission must review and approve delivery services charges, terms, and conditions.

Electric co-ops and municipal systems may elect to enter the competitive marketplace to offer their customers choice, but they are not required to participate.



CHOOSING YOUR ENERGY SOURCES

Coal, hydro, natural gas, nuclear, oil, solar, wind, and other resources are used to generate electricity. If you are interested in purchasing environmentally friendly energy, ask suppliers what percentage of their energy mix is generated by renewable resources. As part of the billing process, electric suppliers must also include, on a quarterly basis, the known sources of electricity and the amounts of carbon dioxide, nitrous oxide, sulfur dioxide emissions and nuclear waste attributable to the known electricity sources.

PURCHASING YOUR ELECTRICITY

Know Your Options.

- You can remain with your current utility as a *bundled* customer. That is, your current utility will handle the generation, transmission, and distribution of your electricity.
- You can elect to become a *delivery services* customer. As a delivery services customer, you may choose another Illinois electric utility or an ARES.

Who May Be Marketing Electricity?

- *Alternative Retail Electric Suppliers* (ARES), who may offer a variety of services
- *Illinois electric utilities*, selling outside their service areas
- *Aggregators*, or group buyers, may offer a way to buy electricity in bulk to increase customers' buying power

Electric Choice Takes Time to Develop. It may be a while before other electric suppliers pursue you as a customer. Take time to learn about the process, your options, and who is certified by the Illinois Commerce Commission to sell electricity in Illinois.

Saving Money. Know your options in order to save money. You'll need to compare prices and charges for changing suppliers.

YOUR ELECTRICITY BILL

Changes in Your Bill. If you choose another supplier, expect changes in how you are billed. You may receive one bill from the new supplier, or you may receive separate bills – one from the electric supplier and one from your utility that delivers the electricity to your home. The charges on an electric bill could include:

- Generation charge* for producing electricity
- Transmission charge* for transporting electricity from the generation source to the local utility
- Delivery service charge* for service provided by the electric utility to keep the transmission and distribution systems functioning so

customers can receive electric service *Transition charge* for costs incurred by the local utility prior to restructuring, which may be charged through the transition charge period (through December 2006)

Customer charge, which is a basic service charge to partially cover the costs of billing, meter reading, equipment, and service line maintenance.

UNDERSTANDING KEY TERMS

Aggregator. An entity that brings customers together to buy electricity in bulk in order to increase customers' buying power. Aggregators facilitate the sale of power but usually are not sellers. Aggregators are defined as ARES only when they *sell electricity*.

Alternative retail electric supplier (ARES). Any person, corporation, generator, broker, marketer, aggregator or other entity certified by the ICC that *sells electricity* to customers.

Bundled Service. Full service, including generation, transmission, and distribution.

Delivery services. Services provided by the electric utility, including standard metering and billing that are necessary for the delivery of power to customers.

Distribution. The use of wires by the local utility to deliver electricity to a home. These services include standard metering.

Electric Utility. An entity that provides electric power generation and delivery services within a local service area and also may sell generation services to customers in other utility service territories.

Generation. The act of using fuels, such as fossil, nuclear or renewable energy, to make electricity.

Transition charge. The transition charge covers costs incurred by the local utility prior to restructuring and may be charged through the transition charge period (through December 2006).

Transmission. The delivery of electricity from a generating facility to local utility facilities, typically over high-voltage power lines.

SAFEGUARDING YOUR SERVICE

Safeguards have been built into the new system to protect customers. When they approved the Illinois Electric Service Customer Choice and Rate Relief Law, the Illinois General Assembly included several safeguards to protect consumers like you through electric service restructuring.

- Electric suppliers must obtain written authorization, account numbers, and meter numbers from customers before switching their service from another supplier.
- Marketing materials that disclose the prices, terms, and conditions of the products or services offered or sold to the customer must be accurate.
- ARES must be certified by the ICC. Lists of suppliers are available from the utility and ICC. See the ICC website www.icc.state.il.us/pluginillinois
- The ICC will monitor the marketplace and publish names of companies that fail to provide service in accordance with the terms of their contracts.
- If an electric supplier or local utility fails to provide promised service, the law permits you to file a complaint with the ICC (800) 524-0795 and/or the Illinois Attorney General (800) 386-5438 (Northern Illinois) or (800) 243-0618 (Central and Southern Illinois).

YOUR RIGHTS AS A CUSTOMER

The law ensures your rights as a customer throughout the restructuring process.

Unauthorized switching of suppliers. The law prohibits switching customers without written authorization.

Terms of service. Before beginning to provide service, a supplier must provide a statement detailing charges, length of the contract, process for notification regarding changes in terms of service, and a toll-free number to call.

Access to billing data. Customers or authorized agents are entitled to obtain their billing and usage data from their current electric utility upon request but

may be required to pay a reasonable fee.

Customer service call center. All electric utilities and alternative suppliers are required to provide a customer service call center where consumers can receive assistance and information.

The Consumer Fraud and Deceptive Business Practices Act entitles consumers to register a complaint regarding their electric service provider by contacting the Attorney General at (800) 386-5438 in Chicago (Northern Illinois) or (800) 243-0618 in Springfield (Central and Southern Illinois). Customers may also file a complaint with the Illinois Commerce Commission at (800) 524-0795.

MAKING AN INFORMED DECISION

Determine Your Electricity Needs

Consider the following information about your electricity usage:

- Review your electric bill for the past year. Rates and usage can vary over a 12 month period.
- How much energy did you use last year?
- What are the rates for your electric service? Do the rates change depending on the time of the day or year?
- If you are not familiar with the terms and conditions of your current utility service, ask your utility for a customer information booklet.

Review Your Supplier Options

- You can remain with your current utility as a bundled customer. That is, your current utility will handle the generation, transmission, and distribution of your electricity.
- You can elect to become a delivery services customer. As a delivery services customer, you may choose another Illinois electric utility or an Alternative Retail Electric Supplier (ARES).

CHECKLIST FOR CHOOSING A SUPPLIER

- ☐ Has the supplier been granted a certificate of service authority by the ICC?
- ☐ What is the length of the agreement? What are the terms of the agreement?
- ☐ Will the price offered by the supplier remain the same throughout the length of the contract?
- ☐ Is there a penalty for canceling an agreement before its term is up? What steps must you take to switch suppliers?
- ☐ Are there restrictions on how much electricity you use and when you use it?
- ☐ Is the supplier's price per kilowatt-hour the only charge, or are there other fees involved?
- ☐ Is there a basic or limited service rate that is less expensive?
- ☐ How will you be billed? Who provides the bill (or bills)? Does the supplier offer a billing plan (budget billing or deferred payment)?
- ☐ Will notices that are required by law (disconnection, tree-trimming, claims, etc.) be sent to you if the bill is not provided by the utility?
- ☐ What fuels will be used to generate the power? How do the supplier's power sources affect the environment?
- ☐ Are there any customer services, energy saving programs, or other incentives?



For a list of certified suppliers and to learn more about your rights, risks, and responsibilities visit the Illinois Commerce Commission's web site at www.icc.state.il.us/pluginillinois

If you would like an additional brochure, call the Illinois Commerce Commission toll-free at (877) 758-4464 (800) 858-9277 (TTY).



Illinois Commerce Commission
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Take the time now to learn about electric choice so you will be ready to make an informed decision when alternative suppliers are available in your area.

